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Viewing cable 09CAIRO1185, SCENESETTER FOR GENERAL PETRAEUS' VISIT TO EGYPT

If you are new to these pages, please read an introduction on the [structure of a cable](#) as well as how to [discuss them](#) with others. See also the [FAQs](#)

Understanding cables

Every cable message consists of three parts:

- The top box shows each cables unique reference number, when and by whom it originally was sent, and what its initial classification was.
- The middle box contains the header information that is associated with the cable. It includes information about the receiver(s) as well as a general subject.
- The bottom box presents the body of the cable. The opening can contain a more specific subject, references to other cables ([browse by origin](#) to find them) or additional comment. This is followed by the main contents of the cable: a summary, a collection of specific topics and a comment section.

To understand the justification used for the classification of each cable, please use this [WikiSource](#) article as reference.

Discussing cables

If you find meaningful or important information in a cable, please link directly to its unique reference number. Linking to a specific paragraph in the body of a cable is also possible by copying the appropriate link (to be found at the paragraph symbol). Please mark messages for social networking services like Twitter with the hash tags **#cablegate** and a hash containing the reference ID e.g. **#09CAIRO1185**.

Reference ID	Created	Released	Classification	Origin
09CAIRO1185	2009-06-24 08:19	2011-08-30 01:44	SECRET//NOFORN	Embassy Cairo

Appears in these articles:

<http://www.al-akhbar.com/node/9135>
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RUCNIRA/IRAN COLLECTIVE PRIORITY

RHMFIS/HQ USCENTCOM MACDILL AFB FL PRIORITY

RUEKJCS/SECDEF WASHINGTON DC PRIORITY

RHMFIS/JOINT STAFF WASHINGTON DC PRIORITY

S E C R E T SECTION 01 OF 03 CAIRO 001185

NOFORN

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E.O. 12958: DECL: 06/22/2019

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ECON, EG

SUBJECT: SCENESETTER FOR GENERAL PETRAEUS' VISIT TO EGYPT

REF: A. CAIRO 747

[1](#)B. CAIRO 448

[1](#)C. CAIRO 1114

Classified By: Ambassador Margaret Scobey per 1.4 (b) and (d).

[1](#)1. Key Points:

-- (S/NF) Since your last visit in December 2008, President Obama's well-received Cairo speech has reinvigorated the tenor of our bilateral relationship.

-- (S/NF) However, a sense of renewal in our bilateral relationship has not yet resulted in tangible improvements in our mil-mil relationship, but the Ministry of Defense recognizes and appreciates the increased engagement with U.S. Central Command (CENTCOM) over the last six months.

-- (S/NF) Egypt continues to view Iran as the region's greatest strategic threat, but is also very concerned about the potential for Sudanese instability. Egyptian efforts on Palestinian reconciliation, a durable cease fire in Gaza, training the Iraqi military, and appointing a new ambassador to Iraq all serve Egypt's goal of reducing Iranian interference in regional affairs.

-- (S/NF) Egypt has reportedly increased counter smuggling efforts, with a focus on stopping arms before they enter Egypt from Sudan and other areas. The Egyptians also report success in interdicting illicit funds destined for Gaza.

12. (S/NF) General Petraeus, welcome back to Egypt. At first glance, seemingly little has changed since your last visit - Egyptian efforts on Palestinian reconciliation and securing a durable cease fire in Gaza are ongoing and Defense Minister Tantawi continues to hesitate expanding cooperation on countering arms smuggling. The overall tone of our bilateral relationship, however, has warmed. Building upon the cautious optimism generated by a new U.S. administration and President Obama's well-received June 4 speech in Cairo, we established a new framework for regular bilateral meetings with the Egyptians to explore new areas for cooperation through an open, frank dialogue. We are exploring other ways to translate this sense of goodwill into concrete action, including by expanding cooperation across a wide-range of political, economic, and cultural issues.

13. (S/NF) We are hoping to leverage the tone of rejuvenation in our bilateral relationship to foster new discussions with Egypt on transforming our military cooperation beyond the annual flow of Foreign Military Financing (FMF). Tantawi and his senior leaders recognize and appreciate increased engagement with CENTCOM, which will provide a strong base for U.S. efforts to expand the Egyptian military's mission to reflect new regional threats. Egypt's renewed offer to train Iraqi military officials - if accepted by the Iraqis - provides the perfect opportunity for the Egyptian military to play a greater role in supporting regional security. We have requested meetings with President Mubarak, Defense Minister Tantawi, and EGIS Chief Omar Soliman.

President Mubarak: Beware of Iran

14. (S/NF) President Mubarak will make it clear that he sees Iran as Egypt's -- and the region's -- primary strategic threat. His already dangerous neighborhood, he will stress, has only become more so since the fall of Saddam, who, as nasty as he was, nevertheless stood as a wall against Iran, according to Mubarak. He now sees Tehran's hand moving with ease throughout the region, "from the Gulf to Morocco," as he told a recent congressional delegation. The immediate threat to Egypt comes from Iranian conspiracies with Hamas (which he sees as the "brother" of his own most dangerous internal political threat, the Muslim Brotherhood) to stir up unrest in Gaza, but he is also concerned about Iranian machinations in Sudan and their efforts to create havoc elsewhere in the region, including in Lebanon via Hezbollah (Sudanese instability in general is also a serious concern for the Egyptians). While Tehran's nuclear threat is also a cause for concern, Mubarak is more urgently seized with what he sees as the rise of Iranian surrogates (Hamas and Hezbollah) and Iranian attempts to dominate the Middle East. Mubarak supports the U.S. talking with Iran, but will warn against placing trust in Iranian promises.

15. (S/NF) Mubarak hailed President Obama's June 4 Cairo speech to the Muslim world and has welcomed our renewed public focus on the Arab-Israeli conflict, including the frequent visits to Cairo by Special Envoy for the Middle East Senator George Mitchell. You should thank Mubarak for Egypt's efforts to strengthen relations with the Iraqi government, including by naming Sherif Shaheen, currently Ambassador to Zambia, as the Egyptian Ambassador to Iraq. You should also express support for Mubarak's renewed offer

to train the Iraqi military, which he made during a recent visit by the Iraqi Minister of Defense, and offer assistance in persuading the Iraqis to accept the offer.

Minister Tantawi: Counter Smuggling, End-Use

¶6. (S/NF) Overall, the Egyptian government continues to employ a wide range of military, security, intelligence, and diplomatic efforts to combat the flow of arms to Gaza. Egypt has reported success in identifying and intercepting arms smuggling networks from Sudan to Cairo, as well as interdicting illicit funds destined for Gaza (septel). Egypt has increased physical security along the Egypt-Sudan border with additional Border Guard Forces and increased aerial patrols, according to MOD officials (ref A).

¶7. (S/NF) Tantawi continues, however, to resist U.S. offers of additional counter smuggling assistance, such as a proposal by the U.S. Army Corps of Engineers to provide a new tunnel destruction capability. Sovereignty concerns are likely driving his hesitation, along with concerns that FMF funds may be directed away from more high-profile programs like M1A1 tanks and aircraft. You should encourage Tantawi to accept additional U.S. assistance, especially along the remote Egypt-Sudan border. You should also remind Tantawi that no single technology can stop smuggling. Success will depend on how well Egypt uses all available tools and resources to identify and disrupt smuggling networks. He will likely reply that BTADS - once operational in February 2010 - and the subterranean steel wall MOD plans to begin installing along the Egypt-Gaza border in October 2009, will provide a sufficient counter smuggling capability. As in the case of Tantawi's decision to sever the satellite link and discontinue the use of GPS technology with BTADS (ref B), his approach to border security likely has Mubarak's support.

¶8. (S/NF) As during your previous meeting, Tantawi will likely express concern over releasability issues and frustration with Egypt's inability to procure restricted weapons systems. Since 2006, the Department of State has notified Congress of six potential end-use violations by the Egyptian military. We are currently investigating two additional cases, one involving the visit of a Chinese military official to an F-16 facility and another involving civilian use of a synchrolift belonging to the Egyptian Navy. The Office of Military Cooperation has begun training mid-level military officials on Egypt's end-use obligations, which has already resulted in averting a potential end-use violation (ref C). Concerns of Egypt's potential violations has held up State Department approval for amendments to the M1A1 co-production agreement and the purchase of 24 F-16 aircraft. We hope to resolve these end-use concerns during a visit from State/PM at the end of July.

Soliman: Reconciliation Efforts Continue

¶9. (S/NF) Egypt remains committed to cementing a durable Israeli-Hamas cease-fire and facilitating Palestinian reconciliation. EGIS Chief Soliman will brief you on his latest efforts and stress that Gaza remains a very serious security threat to Egypt. The Egyptians continue to meet with Israeli, Fatah and Hamas officials, including Khaled Mishal on June 13 and Israeli Defense Minister Barak on June 21. Soliman is seeking compromise from the Palestinian factions on security arrangements in Gaza as well as agreement on an electoral framework for the planned January 2010 elections. He expects to reconvene the factions in Cairo before July 7.

¶10. (S/NF) Soliman will likely reiterate his previous message that Egypt can be helpful in the Afghanistan/Pakistan context, especially as regards the Taliban. He will also express a shared interest in bolstering the Iraqi government and military and coaxing Syria away from Iran and its

interference in Lebanon.

Internal Politics and Economics

¶11. (C) We continue to promote democratic reform in Egypt, including the expansion of political freedom and pluralism, and respect for human rights, albeit without the public confrontations that had become routine over the past several years. The GOE remains skeptical of our role in democracy promotion, complaining that any efforts to open up will result in empowering the Muslim Brotherhood, which currently holds 86 seats in Egypt's 454-seat parliament. Upcoming parliamentary elections in 2010 and presidential elections in 2011 are the focus of most domestic political discussions at present. President Mubarak may well run for another five-year term in 2011, although nothing is certain. A newly passed amendment creating 64 new seats for women in the lower house of parliament, the People's Assembly, has stirred rumors of a possible dissolution of the parliament and early elections.

¶12. (SBU) Egypt was somewhat spared the early effects of the global credit crunch since Egyptian banks operate very conservatively, have low loan-to-deposit ratios, and have by and large avoided involvement with derivative investments and risky financial products. The effects of the ensuing global economic crisis are now being felt in Egypt and growth, though still positive, has slowed. Egypt remains vulnerable as exports, Suez Canal revenues, tourism, and expatriate remittances -- its largest sources of revenue -- are all down and continue to fall. The government has taken some measures to stimulate domestic demand, but the effect of these measures is not yet clear. GDP, which had been growing at a 6-7% annual rate has slowed to 3-4% in the current year; not too bad during a global recession, but insufficient to sustain an economy and to support Egypt's large and growing population. Egypt continues to suffer from widespread poverty affecting 35-40% of its population, particularly in rural areas and in Upper Egypt. Economic reform has stalled as Egypt's economic policymakers attempt to digest the twin hits of high inflation in 2008 (upwards of 20%) followed by the global economic crisis. Egypt's budget for fiscal 2009/10 projects a deficit of greater than 8% which is where it stood when reforms were begun in 2004. Egyptian-U.S. trade has more than doubled over the last four years, reaching almost \$9 billion in 2008. The U.S. exports to Egypt about twice as much as it imports, and Egypt has become the seventh largest market for U.S. agricultural exports.

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